



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 09–12, New Mexico State Income Tax Withholding

Date: February 6, 2009

To: Holders of TAXES (State of New Mexico only)
Personnel User Groups
T&A Contact Points in New Mexico

Beginning with wages paid for Pay Period 5, the National Finance Center (NFC) will make the following changes to the state of New Mexico income tax withholdings:

- The exemption allowance will increase from \$3,450 to \$3,650.
- The Single or Head of Household and Married withholding tables will change.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to NFC's Home Page (www.nfc.usda.gov) and click the **Publications** link at the top of the page. At the Publications page right-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504–255–4630**.

JOHN S. WHITE, Acting Director
Government Employees Services Division

New Mexico State Income Tax Information

State Abbreviation:	NM
State Tax Withholding State Code:	35
Acceptable Exemption Form:	None
Basis For Withholding:	Federal Exemptions
Acceptable Exemption Data:	None
TSP Deferred:	Yes
Special Coding:	None
Additional Information:	A state tax certificate is not required since Federal exemptions are used in the computation of the state formula.

Withholding Formula ►(Effective Pay Period 5, 2009)◄

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment (s) (includes dental and vision insurance program, and flexible spending account – health care and dependent care deductions) from the amount computed in step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages times 26 to obtain the gross annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the gross annual wages to compute the taxable income.

$$\text{Exemption Allowance} = \text{►\$3,650◄} \times \text{Number of Exemptions}$$
6. Apply the taxable income computed in step 5 to the following table to determine the annual New Mexico tax withholding.

Tax Withholding Table Single or Head of Household

If the Amount of Taxable Income Is:		The Amount of New Mexico Tax Withholding Should Be:			
Over:	But Not Over:				Of Excess Over:
\$ 0	\$ ►2,050	\$ 0	plus	0.0%	\$ 0
2,050	7,550	0	plus	1.7%	► 2,050
7,550	13,050	93.50	plus	3.2%	7,550
13,050	18,050	269.50	plus	4.7%	13,050
18,050◄	and over	504.50	plus	4.9%	18,050◄

Married

If the Amount of
Taxable Income Is:

Over:	But Not Over:
\$ 0	\$ ▶7,750
7,750	15,750
15,750	23,750
23,750	31,750
31,750◀	and over

The Amount of New Mexico Tax
Withholding Should Be:

				Of Excess Over:
\$ 0.00	plus	0%	\$ 0	
0.00	plus	1.7%	▶7,750	
136.00	plus	3.2%	15,750	
392.00	plus	4.7%	23,750	
768.00	plus	4.9%	31,750◀	

7. Divide the annual New Mexico tax withholding by 26 to obtain the biweekly New Mexico tax withholding.